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responsibility to his men
[Harrisburg?]

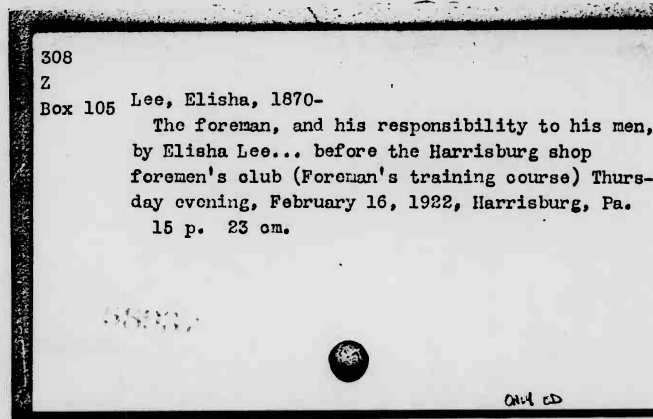
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The Foreman, and His Responsibility to His Men

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Box 165

By

ELISHA LEE

Vice-President Eastern Region, Pennsylvania System

Before the

HARRISBURG SHOP FOREMEN'S CLUB

(Foreman's Training Course)

Thursday Evening, February 16, 1922
Harrisburg, Pa.

in our whole industrial system. And what I want particularly to speak to you about tonight is the responsibility of the foreman to his men because of the position which he occupies as the direct point of contact and in intimate relationship with the workingmen.

The management recognizes in smaller industries the men engaged in physical production and the executives are in sufficiently close touch with each other to have a clear understanding as to their respective problems, but in a large industry, like that with which we are connected, the impression which an employe will gain of the company will be largely that conveyed to him by the foreman. To the average worker, the foreman is the whole company, and the extent to which the foreman is tactful, well informed, and otherwise thoroughly competent, will in turn be reflected directly in the contentment and productiveness of the men.

Diplomacy on Part of the Foreman

But what does "tactful" mean as applied to the position of foreman on the Pennsylvania Railroad? You have all had that word given you many times as describing, in a general way, how you can best handle men; and at the outset I want to acknowledge that it has a very wide significance and to a large degree can only be properly observed by intimate familiarity with the characteristics of the individual employe. But there are a few of the broader phases of the relations between the foreman and the employe which are particularly applicable to the state of mind of very many workingmen at this time, about which I want to speak.

The use of tact, in its most effective form, is to clear the worker's mind of those things about which it is disturbed, and among those things the first which I have listed here is "suspicion."

Suspicion Must Be Entirely Eliminated

There is nothing so effective in distracting one's interest and attention as *suspicion*, and the seriousness of this is

that that mental disease, as I think it should rightly be referred to, is and has been widely prevalent. Our great nations are suspicious of each other, statesmen of particular nations are suspicious of each other, citizens are suspicious of the men they have elected to office, men engaged in business are suspicious of each other, and in social life each is watching the other fearing he will try to "put something over." This is a most unfortunate state of affairs. The business man is afraid to plan the future course of his business because he is suspicious of what somebody might do, and the workingman is in turn suspicious of the motives of the business man by whom he is employed. Much valuable time and many opportunities are being lost by this very condition.

I am reminded of the story that is told of three men who were sailing through strange waters and their boat sprung a leak, making it necessary to swim to shore or drown. They naturally decided to swim to shore, but on approaching land they heard the roaring of lions and immediately proceeded to debate whether it would not be better to drown than be eaten up by ferocious lions. Two of them concluded it would surely be easier to drown than be eaten up by lions and allowed themselves to sink. The third decided to wrestle with the lions and lost no time swimming to shore, where, when landing, he found the lions were chained. I believe fully 90 per cent. of these suspicious lions today are chained and totally harmless. Our whole political, social, and industrial scheme of things is founded on a mutuality of interests which involves, as its most essential elements faith and confidence; and if that has worked so well all these years, why all this hesitancy now.

"Rumor Never Proved Anything"

Consider yourself in the other fellow's shoes. He may be trying his hardest to do what is right, but if you will not give him a chance to prove it, neither of you will get very far. You have a perfect right to believe the other

fellow is trying to do the right thing until it is proven that he is crooked, and mind you, I say proven—rumor never proved anything. As I have said, this condition is general, but we are directly concerned so far as our Railroad may be involved, and in this particular respect I want to say most emphatically if there is any suspicion in your minds, or in the minds of those about you, there is only one thing to do—go right to the man or person whom you suspect, and get the facts straight and remember that fundamental of the old common law that every man is innocent until proven guilty.

The Responsibility of the Management

Figuratively speaking, the railroad proposition is very similar to a three-legged stool. (I won't discuss which leg may be the most important, as all must perform their particular part, or none can do so; no two can function without the third.) The three legs consist of the public who use the railroads; that very large group of investors who own the railroads; and that group of employees who actually run the railroads. Then, in addition there is that group known as the Management, which is the medium through which these three groups operate, and which may be compared with the seat of the stool, as it serves the purpose of connecting and bridging the gap between the three otherwise independent and, standing alone, useless elements,—(and, incidentally, it is the group that everybody sits on).

It is this group which must determine what should properly be the lot for the employee engaged in the actual physical operation of the road, but this can only be done after due consideration is given to the interests of the public and the interests of those who have made it possible for the road to be built and developed by investing their money.

Cost of Operation a Determining Factor

Some groups of employees have said, it is no concern of theirs where the money shall come from to meet

their wage demands; that if present rates will not produce it, increase the rates; and this sounds like a really simple solution, but it has been tried now for the past four years, and the effect has been that certain commodities cease to move on account of the high rates, while many other commodities are short hauled, this combination resulting in a decrease, rather than an increase in gross revenue, the source from which funds for the payment of wages must be secured. While this refers particularly to freight, it is even more true of passenger traffic, where much of the travel consists of pleasure trips, which are not made if rates are considered excessive. Therefore, while it has been possible to induce the Interstate Commerce Commission and State Commissions to grant increased rates very extensively, it has also been demonstrated that with rates at their present height, the safe limit in some instances has been exceeded, and already reductions on numerous commodities have been made because such action was absolutely essential, and in addition, still further reductions are being sought, as you are of course aware. These proposed reductions are being generally opposed by the railroad managements, not because we fail to recognize that lower rates would in some instances perhaps stimulate business, but because the railroads must first secure lower operating costs.

Aside from the question of rates, there is the element of interference by municipal, state and national legislative bodies enacting laws, largely brought about by and supposed to be in the interest of the public, but frequently found to be otherwise in the long run, and which, in any event, oftentimes greatly add to the difficulties of the management in securing for the benefit of investors and employees the proportion of the economic return which it is felt they are entitled to.

Fortunately, at this time interference on the part of political administration bodies has been largely modified, and there has been some real constructive legislation enacted the past few years. There are still objectionable laws on the statute books and I mention this, in passing, in

order that you might realize the necessity of the Management tactfully conducting the affairs of the railroad, in order that the progress which is being made in securing helpful legislation shall continue.

Public Not Investing in Railroad Securities

In addition to the agitation for reduced rates at the present time, investors express their displeasure by refusing to purchase new railroad securities at anything like an interest rate which the railroads feel they can afford to pay. Many also refuse to retain the railroad securities they have purchased in the past, for the very good reason that they can invest their funds in the securities of industrial and public utility corporations having net earnings very much in excess of those of the railroads.

The serious side of this is that the railroads have maturing obligations which must be financed; they must dispose of and replace wooden and antiquated equipment; and in fact increase equipment, roadway and track if the transportation demands are to be met in anything like a satisfactory manner, all of which must be financed by new capital. Therefore, if we ignore the investor in the matter of paying fixed rates of interest on bonds or fair dividends on stocks, which in itself would be most unfair, we could not expect him to invest his money in our securities when funds are required for essential purposes. These two major elements are further aggravated, of course, by existing State and Federal laws and regulations restricting the scope of resourcefulness on the part of the Management, which must necessarily receive due consideration in determining what shall constitute a square deal for the employee.

Undisputable Facts Concerning Wages

Don't get the impression that employees come last and must take what is left. This not only is not my thought, but also is clearly not the case. In recognition of the high costs which the laboring man has had to meet, he is today

receiving over half of the total income of our Region, which is typical of our Railroad and railroads generally, while our Company has paid no dividends to the stockholders of several of its larger subsidiary companies, and reduced by one-third the dividend of the stock of the parent Company.

In this connection, it may interest you to know that in the case of our own Company, the General and Division officers receive a smaller percentage of the total payroll than in pre-war times, and compared with a competing road of approximately the same mileage and volume of traffic, we have a smaller number of executive officers; so there is no foundation for the statement that our Company pays excessive salaries to its General and Division officers, or that it is over-manned in this respect.

I have gone into these details, which might be considered somewhat foreign to the immediate subject, so that you might more clearly realize the extremely important fact that the Company's responsibility and policy toward its employees becomes to some extent one of bald necessity rather than choice, and that this same thing is true regarding its policy toward the public and the owners of its securities, and the real point is that it devolves upon the foreman to drive home these undisputable facts with his men.

Employees Must be Correctly Informed

In connection with the matter of policies as they affect employees, there is another feature, and that is the passing of these policies down through the foreman to the individual employee. This problem of having our employees understand, and as a result approve and be governed by the real intent of our rules, regulations and general methods of conduct and operation, is recognized as one of the most serious and difficult which confront the management at the present time. It matters little how carefully policies may be planned, or how eminently fair these policies may be to the men, if they are not properly presented by the foreman, they are likely to result in the greatest discontent,

and a discontented employe immediately becomes a less efficient employe, and sometimes a menace to the whole organization. It has been my observation that the great majority of discontented employes are in this state of mind because of misunderstanding or poor tact on the part of some of their superiors; also in the matter of strikes, which is the culmination of discontent, taken as a whole, the cause is generally directly traceable to something other than wages, although this is often brought in as part of the final demands.

With our great number of employes, representing practically every nationality on the face of the globe; involving some 1500 different occupations, located in 14 different states, it becomes impossible for the management to convey policies in more than a very general way, and the responsibility of getting these operating rules and regulations to the individual men in the proper way rests largely with the foreman.

Instructions Must be Interpreted

In many cases foremen dispose of this responsibility, or at least think they do, by means of posting notices, or handing typewritten instructions to the men. This unfortunately is a prolific source of misunderstandings. No foreman has fulfilled his responsibility in the issuance of instructions until he has satisfied every man under his jurisdiction as to what such instructions mean, why in a general way they have been issued, and that they are on the whole to the best interests of at least the great majority of employes; and if a foreman himself doesn't know, it is his and his superior's responsibility to find out through the regular channels.

The conditions I have just referred to as to number of different classes of employes spread over such a vast territory, places almost entirely upon the foreman another very important responsibility, and that is the duty of properly educating the men under his supervision.

I am reminded of an experience I had in a barber shop one evening. There were a number of men ahead of me, and while waiting my turn, I observed that the end barber, although very active in his manner, cut only one man's hair, while the man beside him completed slightly more than two. My turn finally placed me in the chair of the owner of the shop. I suggested, the barber on the end works hard, but does not get much done, to which the boss replied, "Yes, he is no good," and said no more. I resumed the conversation and told him a man as active as this man would surely make a good barber, if given a few pointers, but his only reply was, "He is no good, and I am going to fire him." This boss was totally unmindful of the fundamental loss in changing men even in a barber shop. It was a striking instance of the total lack of appreciation of the possibilities of man building along what might be termed technical lines. When machines do not work properly, we do not throw them out; we repair them, and when men do not do their work in the most efficient way, it becomes the duty of the foreman to instruct them in every possible sense that has any bearing on the work which they are to perform.

Co-operation is Essential

In passing, there is a feature about which I have spoken before, but which I want to again emphasize, and that is that the railroad machine is what might be termed an endless chain—it is no stronger than its weakest link, and it cannot function properly if any of the links are very weak, or missing. You may not readily recognize this, but it is a positive fact that if some link fails to do its trick, the adjoining links have got to do extra duty. These links consist of each and every one of us. The depressed business conditions have caused a number of careful studies of our forces to be made, with the result that many men have been relieved. Men who have not been relieved were retained because they were links which are necessary to enable this railroad chain to properly perform its function as a transportation machine.

"Broadway Limited," the Finished Product

We don't always fully appreciate this because we think of railroading in terms of moving trains. We observe the "Broadway Limited," for instance, speeding by at 60 M. P. H.; it is a finished product. Its speed and magnificence give us a thrill, it is unexcelled in passenger transportation; but how many of you feel the further thrill of having had a definite part in making the movement of that fine train possible? Whether you have thought of it or not, the fact remains that each and every one of us had something directly or indirectly to do with the operation of that train. And just so, each and every one of us has an equal interest in our Company, in that each has a specific and necessary duty to perform. I hope you will never allow any doubt to arise in the minds of your men in regard to this fundamental fact.

There is another phase of relationship. Someone has very aptly said the most human animal in the world is "man." There is an element in human intercourse that has figured prominently in the historical accounts of our country, from the time the Pilgrims landed at Plymouth Rock right up to the termination of the Peace Conference a few days ago at our National Capital, and which will ever continue to be recognized—I refer to "Hospitality." To be more specific, it has been said that the only place a man feels thoroughly at home is in bed. When he gets out of bed and starts to dress he begins to feel lonesome. When he goes down stairs he feels more so, and when he leaves the house to go out into the cold world he is always below par. If nobody speaks a pleasant word to him during the early part of the day he becomes gloomy and less efficient as the hours go by. If, however, on his way to the office the corner policeman touches his hat and says in a cheery voice, "Good morning, glad to see you looking so well this morning," it will materially increase his efficiency.

Hospitality Increases Production

Efficiency is a very temperamental factor. Efficiency and happiness are largely synonymous. Happiness is the result

of truth, hopefulness, and most of all hospitality. The relation between hospitality and production, the great factor that hospitality is in connection with distribution, is little realized today. The prosperity of our nation is more closely allied with the word hospitality than any other word. Hence, the economic importance of the teachings of Jesus and a very practical reason why business today needs more true religion. For true religion is in the last analysis simply the spirit of truth, hopefulness and hospitality.

Hospitality is the one thing which is unlimited in supply, can be manufactured from nothing and without expense, is in great demand and yields huge profits. An analysis of failure statistics would indicate that more men have gone bankrupt from lack of hospitality than from any other factor, while more men have been successful from developing hospitality than from any other one factor. Hospitality is a commodity, more sought for than any other commodity and yet can be procured and delivered by any one. Yes, hospitality is not only the great factor in production, distribution and consumption, but is the greatest money-maker that we know of today.

Careful study convinces me the real assets possessed by our captains of industry are the so-called intangible assets, among which are thoughtfulness, kindness, sympathy, hopefulness, all of which could be summed up in the one word "hospitality."

A Foreman Must Have Faith in His Men

The great engineers have not been those with the greatest technical knowledge, but rather those who had the power to gather around them a staff of loyal men. It was these men who loved them so as to follow them across the seas, into the wilds of the forests, over the mountains, scoffing at danger and suffering, that made them great engineers. The great manufacturers are not those possessing vast mechanical knowledge, but rather those who have visions and dreams, the men with faith, courage and hopefulness. The great bankers are not those who can best

analyze securities and statements. Seldom has a great accountant ever become a great banker. The great bankers are the men who have faith in their fellow men, who are willing to trust, help and boost those who come to them in distress. The real asset of every successful bank is not the securities in its vaults, but the hospitality personified by its officers and employees. The successful banks of every community have reached their present positions owing to some one or more persons possessing this spirit of hospitality.

Relationship with the Public

Nothing today would do so much to bring about better conditions than a resolve on the part of every one to be hospitable and try to make all with whom we come in contact feel happy. I repeat; efficiency and happiness are largely synonymous! The development of hospitality among his men is another one of the important responsibilities of the foreman. And I believe many of you are wondering right now how it can best be done—maybe this little story of real life will help you. In Cleveland there is a very able banker who enjoys the rare distinction of being the man of a million friends—asked how he induced so many people to like him, he replied, "It's very simple—just like the other fellow first."

The Foreman Should Lead, Not Drive

I believe herein lies the secret to a large extent of having a spirit of hospitality prevail among your men—be yourself a leader in the practice of it. Men are most human and respond to what is in this day recognized as decent treatment. The average worker does not wish to be coddled; he regards such treatment as an affront to his self respect; he wants to be dealt with frankly, but on the other hand he feels the day is past when the foreman shall resort to so-called "driving tactics," and that this method of supervision has been replaced by the method of leading or directing is an attitude which clearly recognizes the worker

as a man with every form of rights which we have come to cherish in this great country. It has been my observation that this modern method of managing men is by far the most effective today, and hospitality is one of the essential elements in this form of supervision.

There is just one more of the many responsibilities of the foreman to his men I want to touch on. Sometime ago I was at Niagara Falls and among other things observed the remarkable engineering feat where a considerable quantity of that great body of water was forced to transform its energy into electric current for use in the nearby cities. Huge channels were cut through solid rock, substantial structures were erected where the process of transformation took place, and cables of transmission went out in every direction,—all at great cost. But I said to myself, of what value would that all be if they had no dynamo! And what is the dynamo of men—it is enthusiasm—that is the generating power within us; it can salt and season even unpalatable work, but to be able to muster up enthusiasm you must believe in what you are doing—believe in the essential character of what it does, believe in the magnitude of its task, and believe in the thoroughness with which it does it.

Transportation is an Essential Industry

How well does the railroad industry and the Pennsylvania Railroad in particular, measure up to these specifications?

What has made this country great? Ask a hundred men what has made the United States great—the greatest nation in all the world! Some will tell you that it is because of our great area of fertile soil; but Africa has a much larger undeveloped area and more fertile soil. Others will tell you it is because of our enormous wheat lands; but Canada has a larger area for the raising of wheat, and Canada has only one-fifteenth of our population. Some will declare that it is our system of education; but on the question of reading and writing, 98% of the people in

Germany could read and write when that country went to pieces. Some will tell you that it is human freedom, but those of us who have observed the affairs of Mexico know that that country is the freest country on the globe. They have been developing free government for a hundred years. About the only certainty with their government is that when one has been set up, another must quickly follow. That would seem to be the country with the greatest freedom in all the world.

It cannot be freedom of intelligence, or soil, or immigration that fundamentally has made this country great. We talk of the highway of progress, but we forget the real highway in discussing the progress. Three hundred years after the white man discovered America, the United States was still on the coast-line. Watts invented the steam engine in 1769, and one hundred years later communication was established across the continent from New England by means of 3500 miles of railroad. Today, 51 years later, this mileage has increased to 405,831 miles and connects all corners of this great country. It is the only country that was settled economically right and with safety in its interior, and all this is due to our system of rail transportation. The development of this country has been due to its railroads and its progress is dependent upon the effective operation of its railroads.

Position of the Pennsylvania System

And what part has the Pennsylvania System played and what part is it playing today? You were told by Dr. Van-Metre two weeks ago of its early history, and so I will not repeat it now, but do you know that today every tenth dollar invested in railroad property; every fifteenth mile of track; every eleventh ton of freight; every seventh passenger; every seventh passenger car; every eighth freight car; and every eighth locomotive, belong to or are produced by the Pennsylvania System, while every seventh railroad employe makes this great accomplishment possible; and the whole working machine produces every eighth dol-

lar of gross revenue. These figures surely speak for themselves in the matter of magnitude and thoroughness. Who wouldn't feel chesty on being a part of this magnificent branch of the greatest of all industries!

I have not made these remarks because I felt you were deficient in the matter of enthusiasm; the interest you have shown, first in the formation of this class, and, second in your presence tonight, in themselves, constitute undisputable evidence of your enthusiasm; I have only given you these facts that you might better know "there is a reason"—I congratulate you.

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